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RUEHBJ/AMEMBASSY BEIJING 4011
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RUEHIL/AMEMBASSY ISLAMABAD 0491
RUEHBUL/AMEMBASSY KABUL 3467
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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 007095

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SUBJECT: INDIA'S SRI LANKA POLICY DESCRIBED AS DECISIVE
INFLUENCE WITH NO DIRECT INVOLVEMENT

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Classified By: Political Counselor Ted Osius for Reasons 1.4 (B, D)

¶1. (C) SUMMARY: In a 27 September roundtable discussion on India-Sri Lanka relations, the consensus among prominent journalists and think-tankers was that the GOI should pursue a Track II dialogue with the Government of Sri Lanka (GSL) in three phases: achieve a sustainable cease-fire agreement between the GSL forces and the LTTE, encourage and facilitate confidence building measures (CBMs), and finally advise the GSL regarding a restructured government that provides representation for Sri Lanka's minorities. They noted, however, that an Indian government led by Sonia Gandhi's Congress Party will not likely take an active role due to lingering sensitivities over the 1991 assassination of Sanjiv Gandhi and its failed intervention in the 1980's. They counseled that India will probably follow a policy of "decisive influence with no direct involvement". In addition, they cautioned that approximately 4,000 LTTE members have assimilated into American, Canadian, and Western European societies and are actively supporting the LTTE in Sri Lanka. They also point to an emerging "radicalization" of the Muslim community residing in the Eastern Sri Lanka as a result of LTTE and GSL atrocities. END SUMMARY.

----- "Dignified devolution of hostilities" -----

¶2. (C) PolCouns led a roundtable on Indian-Sri Lankan relations on 27 September with a gathering of India's most

experienced and influential civilian experts. General (retd.) Ashok Mehta said that the GOI is hoping for a cease-fire by military stalemate. In his opinion, the GOI looks unfavorably upon recent GSL military gains in the northeast, as it tips the balance of power in favor of the GSL and serves as a disincentive for negotiations. Gen. Mehta, who traveled to Sri Lanka in early September, said that a "dignified devolution" of the conflict will emerge after the cease-fire is reestablished. He believes that the GOI can help induce the stalemate necessary for a cease-fire through its control of assistance to the GSL. Other participants conceded that a weakened LTTE does not bode well for peace, as both sides are emboldened by any military gains. Gen. Mehta added that the GOI could institute a "devolution package" in which GOI enhancements of GSL military capabilities are directly linked to a realistic political proposal to the LTTE with definitive time frames for implementation. Although other participants disagreed with General Mehta's stalemate theory, they all agreed that definitive timetables must be applied to each step of any peace initiative.

----- "The current government structure provides no basis for peace talks" -----

13. (C) The roundtable participants agreed that both parties realize there is no military solution to the conflict. Mr. M.R. Narayan Swamy, Deputy Editor of the Indo Asian News Service, stressed that both parties need to be ready for peace. Even though they are exhausted by war, internecine fighting on both sides precludes meaningful talks. He agreed that the linchpin for peace talks is a "southern consensus" between the Sri Lanka Freedom Party (SLFP) and the main opposition United Nationalist Party (UNP) on sharing power with the Tamil minority. Dr. Ashok K. Behuria, Research

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Fellow from the Institute for Defense Studies and Analyses, agreed and noted that it is incumbent upon President Rajapaksa to engineer a solution which addresses faults in the current government's structure that make substantive power-sharing with minorities impossible. The participants said that the GOI can draw upon its own experience to guide the GSL towards an effective proposal for governance of a multi-ethnic, multi-religious society.

----- CBMs: Bridging the trust deficit -----

14. (C) Dr. Behuria noted that it was imperative that both parties be brought to the negotiation table and maintain a dialogue. He likened the Sri Lankan situation to the Indo/Pakistan relationship, noting that CBMs (guaranteed safe passage areas, the GSL opening up highways, etc.) can only be implemented through constant dialogue and a commitment to remain "glued to the peace track." Gen. Mehta remarked that the GOI could serve as an observer to the dialogue.

----- 4,000 ex-LTTE cadres residing in the West -----

15. (C) Mr. Swamy claimed that 4,000 LTTE cadres with allegiance to the LTTE have mainstreamed into American, Canadian, and western European societies. He asserted that they form "sleeper" cells much like alQaeda and actively support LTTE efforts in Sri Lanka. In response to Mr. Swamy's assertion that the U.S. fails to take action against LTTE terrorists, PolCouns cited the August 2006 arrests of eight LTTE in the U.S. and the 27 September Contact Working Group meeting initiated and hosted by Washington.

----- "A slow-burning anger turning into radical Islamization" -----

16. (C) Mr. Swamy and Mr. Mehta believe that the radicalization of the Muslim community in the Eastern Sri Lanka has been brewing since two LTTE attacks on mosques in the 1990's in which Muslims were murdered. They claimed that

Muslims are also being abused by GSL forces, citing the recent incident in Kantalay in which Muslims taking refuge inside a school to avoid fighting were forcibly evicted. They said that, in the absence of security, the Muslim community is ripe for embracing radical Islamic elements. Mr. Swamy also asserts that Tamil-speaking Muslims in the east are denouncing their Tamil ethnicity.

----- Support for Norway's continued leadership of the Co-Chairs -----

¶7. The roundtable members were unanimous in their support of Norway as the leader of the Co-Chairs' efforts. They noted that Norway has played "a thankless role" for years and is respected for its resilience, although the Norwegians are viewed as partial to the LTTE. Participants discussed the idea of a greater role for the Japanese, the only Co-Chair member that has not declared the LTTE a terrorist group, but the group concluded that the Japanese were not likely to succeed where others have failed. The panel noted that Norway needs to be firmer in its dealings with both parties. However, despite these criticisms, all participants agreed that it is crucial for the international community to remain engaged in Sri Lanka through the Co-Chairs.

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¶8. COMMENT: Despite its unwillingness to take an active role in the Sri Lankan conflict, Indian policy experts believe the GOI may be willing to contribute as an observer to negotiations between the GSL and the LTTE. Given its experience in governing a multi-ethnic, multi-religious populace, the GOI can also serve as a valuable guide if the GSL gets serious about offering a political proposal to the LTTE. In addition, given its composite dialogue experience with Pakistan, India may prove useful in ensuring that negotiations stay on track despite hostilities. END COMMENT
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